

Message Text

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PAGE 01 NEW DE 12518 171305Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 PA-02 /115 W
-----119887 181219Z /50

R 171155Z AUG 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 3451
INFO AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KATHMANDU
AMEMBASSY LONDON
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

UNCLAS NEW DELHI 12518

PASS TREASURY AND FRB

E.O. 11652: N/A
TAGS: EFIN IN
SUBJECT: INDIA AGAIN DEVALUES RUPEE AGAINST POUND STERLING

REF: NEW DELHI 11678

1. ON AUGUST 16, 1978, THE RESERVE BANK OF INDIA (RBI)
DEVALUED THE INDIAN RUPEE AGAINST THE POUND STERLING BY
1.27 PERCENT, WITH IMMEDIATE EFFECT. THIS IS THE SECOND
DEVALUATION OF THE RUPEE IN 16 DAYS, THE FIRST BEING ON
JULY 31 (1.29 PERCENT). THE NEW SPOT RATES FOR THE RUPEE
ARE AS FOLLOWS:

BUYING RATE: RS. 100 L 6.3694 (COMPARED TO THE PREVIOUS
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6.4516), OR L 1 EQ RS. 15.70 (COMPARED TO 15.50).
SELLING RATE: RS. 100 L 6.3291 (COMPARED TO 6.4103) OR
L 1 EQ RS. 15.80 (COMPARED TO 15.60).

2. THIS DEVALUATION YIELDS A NEW MID RATE OF RS. 100 EQ
L 6.3493 OR L 1 EQ RS. 15.75 (COMPARED TO RS. 100 EQ L 6.4309,
OR L 1 EQ RS. 15.55 AS FIXED BY RBI ON JULY 31, 1978 WHEN

THE RUPEE WAS DEVALUED BY 1.29 PERCENT). THE VALUE OF THE RUPEE IN RELATION TO POUND STERLING IS NOW AT THE SAME LEVEL AS BEFORE MAY 24, 1978 WHEN THE RUPEE WAS REVALUED BY 2.61 PERCENT.

3. FORWARD PURCHASES OF STERLING UP TO A MAXIMUM PERIOD OF NINE MONTHS HAS BEEN CONTINUED BY THE RBI ON A MONTHLY OPTION BASIS AT A DISCOUNT OF L 0.0050 FOR RS. 100 PER MONTH ON THE SPOT BUYING RATE OF RS. 100 EQ L 6.3694. THE NEW FORWARD RATES FOR RS. 100 WILL BE BETWEEN L 6.3744 FOR THE FIRST MONTH AND L 6.4144 FOR THE NINTH MONTH. THERE WILL BE NO CHANGE IN PURCHASES OF US DOLLARS, MARK AND YEN FOR SPOT AND FORWARD TRADING UP TO A PERIOD OF SIX MONTHS ON A MONTHLY OPTION BASIS AT RATES DETERMINED ON THE BASIS OF LONDON MARKET CROSS RATES.

4. AFTER THIS RUPEE DEVALUATION USDO NEW DELHI RATE IS DOL 1 EQ RS. 7.92 ON AUGUST 17, COMPARED TO RS. 7.86 ON AUGUST 16. GOHEEN

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Message Attributes

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Draft Date: 17 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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